

# HOUSE BILL No. 1594

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3.1-33.

**Synopsis:** Individual renewable energy credit. Provides a tax credit for an individual who invests in a residential renewable energy system, an alternative fuel vehicle, or a hybrid vehicle.

**Effective:** January 1, 2010.

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**Walorski, Culver**

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January 16, 2009, read first time and referred to Committee on Ways and Means.

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First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

## HOUSE BILL No. 1594

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-3.1-33 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2010]:

4 **Chapter 33. Individual Renewable Energy Investment Tax**  
5 **Credit**

6 **Sec. 1.** As used in this chapter, "alternative fuel vehicle" has the  
7 meaning set forth in IC 6-3.1-31.9-2, except that the term does not  
8 include a vehicle that operates on E85 (as defined in  
9 IC 6-6-1.1-103).

10 **Sec. 2.** As used in this chapter, "hybrid vehicle" means a vehicle  
11 that operates on two (2) or more of the following energy sources:

- 12 (1) A rechargeable energy storage system.
- 13 (2) Gasoline.
- 14 (3) Hydrogen.
- 15 (4) Compressed air.
- 16 (5) Compressed or liquid natural gas.
- 17 (6) Solar energy.



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1        **Sec. 3. As used in this chapter, "renewable energy system"**  
 2        **means a residential energy system incorporating energy**  
 3        **technologies based on any of the following:**

- 4            (1) Solar energy.  
 5            (2) Wind.  
 6            (3) Geothermal power.  
 7            (4) Geothermal heat exchange.  
 8            (5) Light emitting diodes.  
 9            (6) Any technology that reduces the energy consumption of a  
 10            residential energy system by at least eighty percent (80%) of  
 11            the energy consumption for a comparable residential energy  
 12            system commercially available on or before January 1, 2000.

13        **Sec. 4. (a) Each taxable year, an individual is entitled to a credit**  
 14        **against the individual's adjusted gross income tax liability if the**  
 15        **individual makes expenditures during the taxable year on the**  
 16        **following energy technologies:**

- 17            (1) The purchase and installation of a renewable energy  
 18            system for the individual's primary residence.  
 19            (2) A hybrid vehicle.  
 20            (3) An alternative fuel vehicle.

21        **(b) Subject to subsection (c), the amount of the credit provided**  
 22        **by subsection (a) each taxable year is the lesser of:**

- 23            (1) two thousand five hundred dollars (\$2,500); or  
 24            (2) the product of:  
 25                (A) fifteen percent (15%); multiplied by  
 26                (B) the individual's expenditure during the taxable year on  
 27                any of the energy technologies listed in subsection (a).

28        **The amount used under subdivision (2)(B) shall be determined as**  
 29        **if the individual pays the cash price in full during the taxable year**  
 30        **in which the energy technology listed in subsection (a) is first**  
 31        **acquired, regardless of whether the individual purchases the**  
 32        **energy technology listed in subsection (a) by paying the cash price**  
 33        **in full or by paying on an installment basis. If an individual**  
 34        **purchases an energy technology by paying on an installment basis,**  
 35        **the amount to be used under subdivision (2)(B) with respect to that**  
 36        **particular energy technology purchase is zero dollars (\$0) for**  
 37        **taxable years following the taxable year in which the energy**  
 38        **technology is first acquired.**

39        **(c) The maximum amount of the credit specified in subsection**  
 40        **(b)(1) is five thousand dollars (\$5,000) in the case of a married**  
 41        **couple filing a joint return.**

42        **Sec. 5. (a) If the credit provided by this chapter exceeds a**

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1 taxpayer's adjusted gross income tax liability for the taxable year  
2 for which the credit is first claimed, the excess may be carried  
3 forward for not more than two (2) succeeding taxable years and  
4 used as a credit against the taxpayer's adjusted gross income tax  
5 liability during those succeeding taxable years. Each time the  
6 credit is carried forward to a succeeding taxable year, the credit is  
7 reduced by the amount that was used as a credit during the  
8 immediately preceding taxable year.

9 (b) A taxpayer is not entitled to any carryback or refund of any  
10 unused credit under this chapter.

11 SECTION 2. [EFFECTIVE JANUARY 1, 2010] IC 6-3.1-33, as  
12 added by this act, applies only to taxable years beginning after  
13 December 31, 2009.

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